
THE HANFORD SITE WORK FORCE RESTRUCTURING PLAN

Part II - Background

INTRODUCTION

In September 1991, the President of the United States recognized that our country's reduced needs for defense weapons necessitates a mission change for some of DOE's nuclear weapon facilities. The Hanford Site Work Force Restructuring Plan addresses the mission change, funding and incentives planned that will result in restructuring at Hanford.

OBJECTIVE

The objective is to mitigate the social and economic impacts of a work force restructuring on employees and affected communities.

ELIGIBILITY CRITERIA

Defines who is eligible to receive the benefits of 3161

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INTRODUCTION

On September 27, 1991, the President of the United States recognized our country's reduced needs for defense weapons and announced the first unilateral reduction of the nuclear weapons stockpile. This action necessitated changing the mission of several nuclear weapons manufacturing facilities from production to cleanup. In preparation for the nationwide downsizing of defense-related jobs, Congress included in Public Law 102-484, the National Defense Authorization Act of FY 1993 certain requirements on DOE to be triggered when work force restructuring was necessary.

STAKEHOLDERS

For a definition of "stakeholder" please see Section 3161(b)(1) in Appendix D.

Section 3161 requires the Secretary of Energy to develop a work force restructuring plan, and to consult with the site's stakeholders, in the plan development. Restructuring is a term used to describe a change in mission for a facility to include down-sizing, closure, or a change in the operation which results in a change in the need

for particular worker skills. The Secretary has determined that the principles reflected in Section 3161 will be extended to all work force restructuring actions throughout the DOE complex regardless of the number of affected employees.

The Secretary has also determined that each field DOE location, in consultation with stakeholders, is in the best position to understand the needs unique to a particular site work force restructuring and thus to develop a work force restructuring plan to address that site's particular circumstances. After stakeholder input has been received, the individual site plans are to be prepared and forwarded to DOE Headquarters for approval and submittal to Congress pursuant to Section 3161(f).

In accordance with the requirements Section 3161(c)(1)(B), a general announcement of the impending restructuring actions at Hanford was made on February 14/15, 1994. This date is therefore pertinent to many of the initiatives of this plan. This Hanford Site plan describes the actions which the Richland Operations Office considers to be reasonable to fulfill the missions assigned to Hanford and to reduce the effects of restructuring on workers and the community.

This Hanford Site Work Force Restructuring Plan was developed over several months with the input from public meetings, over 700 individual comments and the assistance of more than 85 stakeholder representatives. It is tailored to meet the unique needs of the Hanford Site while also meeting the objectives set forth in Section 3161(c).

Hanford's Mission

The primary mission of the Hanford Site for many years was the production of nuclear materials for the national defense; however, the Site has also enjoyed a diversity of other major non-defense related missions. That diversity effectively began in 1965 with the segmentation of the Site into principal operating components, coupled with a requirement that bidders for the related contracts commit to establish projects and programs that would diversify the economic base of the local communities.

The predominant defense mission of the Site essentially was changed in early 1988 with the announcement that plutonium would no longer be produced and that the N-Reactor would be placed in cold standby condition. That action closely followed the termination of the Basalt Waste Isolation Project. The overall Hanford work force declined from a high of 14,500 in September 1987 to a low of 12,000 in April 1989.

With an end to the Cold War and the era of defense production, the Hanford Site has evolved to a mission of environmental restoration and waste management. Employment has concurrently risen, reaching a level of 18,600 in September of 1994. Examples of major programs and projects on the Hanford Site include the Tank Waste Remediation System (TWRS), and the Environmental and Molecular Sciences Laboratory (EMSL). TWRS covers the oversight of 177 underground waste storage tanks, and the development of pre-treatment and long-term storage technologies. The EMSL is designed to be a center for international inquiry into environmental restoration and remediation techniques utilizing biological and chemical systems.

Although the mission change means the end to certain projects and programs, the change process, and resulting impact on employees and the community, is a gradual one. The steps involved in plant or project closures require the planned and systematic shutdown of operating systems, removal and redeployment of equipment and removal of hazards prior to declaration of completed shutdown.

Funding

Defense program funding has steadily declined while funding for environmental restoration and waste management activities, both operational and research and development, has increased. Significant additional funding was received from other programs - especially in energy research, energy efficiency, and work for others. The FY 1995 Appropriation for RL is \$1.93 billion, a slight increase over that of FY 1994. The Environmental Management (EM) portion of the request constitutes \$1.513 billion.

Strengthening the emphasis on cost savings at Hanford is the Cost and Management Efficiency Initiative of the Hanford Federal Facility Agreement and Consent Order or Tri-Party Agreement (TPA). The TPA is a partnership of three agencies, the DOE, the Environmental Protection Agency (EPA) and the Washington State Department of Ecology (Ecology), outlining the agreement for Hanford Site cleanup. The TPA established a cost savings goal of \$1 billion from FY 1994 through FY 1998. As a result of significantly declining budgets, DOE is also establishing and expecting additional productivity improvements, equating to greater cost savings. It is anticipated that these overall savings will not reduce work scope and employment levels in the same proportion as funding decreases.

Hanford Site Initiatives

The DOE has determined that initiatives and actions must be taken to improve the cost effectiveness and efficiency of Hanford operations in order to accomplish the primary mission of clean up of the Hanford Site. That cleanup must be completed in a reasonable period of time and meet the TPA cost savings goal.

Initiatives which seek to reduce costs and help assure the economic viability of the affected communities, but which will have restructuring impacts, include:

- Outsourcing of site operations, infrastructure and services now being performed by Hanford Site contractors
- Implementation of new contracting arrangements, such as the Environmental Restoration Contract (ERC)
- A realignment of the WHC management structure
- Elimination of duplicative activities of WHC and its integrated subcontractor, ICF KH, through the merger of some elements of work scope and respective staffs
- Implementation of changes in business practices resulting from the Vice President's Reinventing Government initiative and the TPA cost initiative.

TRI-PARTY AGREEMENT

For further information on initiatives, see the TPA which is available at the DOE Public Reading Room, co-located with the WSU-TC library at 100 Sprout Road, Richland, or your public library.

The implementation of the above listed actions will impact WHC and its integrated subcontractors: Boeing Computer Services, Richland (BCSR) and ICF KH. In addition, actions may be necessary from time to time impacting WHC (and its integrated subcontractors), PNL, HEHF, and BHI because of changes in national priorities or tasking from program sponsors, or as a result of funding constraints.

As of September 30, 1994, total employment on the Hanford Site was approximately 18,600 employees excluding subcontractors, lower-tier contractors, temporary employees, security escorts, and the General Site Services Contractor (GSSC).

The distribution of the employees between the various companies is as follows:

• Department of Energy Richland Operations Office	450
• Westinghouse Hanford Company including Boeing Computer Services Richland Operations and Engineering, and Information Resources	9,789
- ICF Kaiser Hanford Company Architect and Engineering	2,962
• Battelle Memorial Institute Pacific Northwest Laboratory Research and Development	4,383
• Hanford Environmental Health Foundation Occupational Health and Industrial Hygiene Services	187
• Bechtel Hanford Inc. Environmental Restoration	804

OBJECTIVE

The objective of this Plan is to mitigate the social and economic impacts of a work force restructuring on employees and affected communities. The plan includes all employees of all contractors working at Hanford, including management and operating (M&O) contractors, other principal contractors and subcontractors who are affected. The Plan establishes a broad and comprehensive framework within which appropriate actions will be taken, as well as specific eligibility criteria and benefits provided.

This Plan establishes the criteria for:

- Preserving personnel with critical knowledge and skills
- Minimizing involuntary layoffs
- Placing employees in other jobs at the Hanford Site or other DOE facilities
- Voluntary, incentivized termination programs
- Reducing the use of temporary, task-order, and contract personnel
- Providing qualified involuntarily laid-off employees with preference for any hiring by the DOE, its contractors or subcontractors
- Limiting external hiring
- Managing attrition
- Retraining for internal employment
- Providing employees specifically identified for layoff and/or laid off with educational assistance opportunities and outplacement/reemployment assistance
- Providing relocation assistance to qualified laid-off workers
- Providing, consistent with budgetary constraints, local impact assistance to communities that are affected by the work force restructuring.

ELIGIBILITY CRITERIA

ELIGIBILITY

Regular Employees

- Employed at a DOE defense site on or before September 27, 1991
- Employed at Hanford on February 14, 1994
- Total career hours equal to or greater than 4,960
- Employee's current position directly affected by restructuring

To be eligible for most benefits under this Plan, employees must have been employed at the facility, or verifiably employed at another DOE defense nuclear facility, on or before September 27, 1991, (the day the first unilateral reduction of the Nation's nuclear weapons stockpile was announced and which is considered to be the end of the Cold War for the DOE), and meet the following criteria:

- Regular employees must have been employed at the Hanford Site on February 14, 1994, (the date of notification of the work force restructuring); OR employees whose work at the facility is intermittent (such as construction workers) must have been employed at the facility between November 14, 1993 and February 14, 1994 (the 90 days preceding the work force restructuring notification);

AND

- Worked a minimum of 4,960 hours at DOE facilities during their full career prior to February 14, 1994. (NOTE: These hours are the equivalent of having worked full time, 40 hours per week from the end of the Cold War, September 27, 1991, to the notification date, February 14, 1994);

AND

- The employee's current job must be directly affected as a result of the announced work force restructuring. For an intermittent employee, this means, as a minimum, the completion or termination of the assignment or project without prospect for a follow-on assignment at the site.

The provisions of the work force restructuring plan apply to eligible full-time and regularly scheduled part-time employees of Battelle PNL, BHI, HEHF, WHC and its integrated subcontractors BCSR, and ICF KH.

Medical benefits are available only to employees of the principal contractors, as set out in the box on the next page which contains the definitions of contractors.

Regular employees may participate in voluntary separation incentive retirement and termination programs if they meet the requirements of such voluntary separation programs even if they do not meet the general eligibility requirements of this Plan.

Intermittent employees must meet the eligibility criteria and be involuntarily separated with no prospect for a follow-on assignment at the site to receive any benefits outlined in the plan. Intermittent employees do not qualify for medical benefits which are available only to principal contractor employees.

Employees of other contractors, sub-contractors, and lower tier sub-contractors must meet the plan eligibility criteria to receive any benefits outlined in the plan. These employees do not qualify for medical benefits which are available only to principal contractor employees.

Preference in hiring will be available to all employees who meet the Plan eligibility requirements and are involuntarily separated.

See Appendix F for a matrix of benefits and eligibility requirements.

ELIGIBILITY **Intermittent Employees**

- Employed at a DOE defense site on or before September 27, 1991
- Worked on the Hanford Site during the 90 days preceding February 14, 1994
- Total career hours equal to or greater than 4,960
- Employee's current position directly affected by restructuring

DEFINITIONS

Principal Contractors - Westinghouse Hanford Company (including its integrated subcontractors Boeing Computer Services Richland and ICF Kaiser Hanford), Battelle Pacific Northwest Laboratories, Bechtel Hanford Inc., and Hanford Environmental Health Foundation

Other Contractors and Sub-contractors - Companies under contract to the DOE and its Principal Contractors

Lower Tier Sub-contractors - Companies under contract to sub-contractors of the DOE, Hanford Principal Contractors or their sub-contractors

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